



ANNUAL REPORT

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FOREWORD

Our unwavering resolve to complement agricultural development through adequate supply of fertilizer and pesticide at the correct quantity and definite quality. However, recent global market trends and developments resulted to record increase in prices of inorganic fertilizer. Purposely, the FPA took initiatives to counterbalance the price increase. This include product quality and quantity assurance through random weighing and sampling and an intensive promotion and advocacy agenda on precision nutrient application or precision agriculture and the use of organic fertilizer. Monitoring and inspection covers advising and updating stakeholders on current FPA policies and its rules and regulations and in clearing the market of dubious products. For the year, 263 clean-up drives were conducted and 111 stop use, stop move and stop sale orders were issued covering products and establishments that were found violating FPA rules.



Interestingly, the year 2007 saw an encouraging increase in the number of fertilizer and pesticide products that were registered, 381 for fertilizer and 991 for pesticide. This provides wider product line for farmers to choose from. It is particularly true that presence of more commodity/generic products entails competition that result to lowering of price and improvement of quality to make the product more desirable and attractive. Our training and accreditation activities covered 3,062 individuals that include safety dispenser of fertilizer and pesticide, Responsible Care Officers, Certified Pesticide Applicators, accredited researchers and mango flower induction contractors, among others. FPA also actively participates and/or implements obligations under international agreements such as the preservation of the ozone layer, concerns on persistent organic pollutants and subscription to a globally harmonized system.

As we again weathered a strenuous year in terms of a glum global commodity, fuel and food situation, we can only look forward to our perseverance and firm commitment to work even harder in the face of difficult times.

Executive Summary

- ❖ Inorganic fertilizer is one of the traded commodities that was considerably affected by trends and situations in the world market. Traditional fertilizer grades, particularly, urea (46-0-0) and complete fertilizer (14-14-14) experienced record increase in prices of about 2006 prices. For 2007, fertilizer imports were posted at 1,221,093 MT while consumption was recorded at 736,120 MT. Historically, fertilizer prices particularly urea and 14-14-14, two of the most commonly used fertilizer grades increased by an average of 178% for Urea from 1997 to

2007 (P345/P961) and 128% for 14-14-14 from 1997 to 2007 (P348/P796). As an initiative to counter balance the increase in the price of inorganic fertilizer, advocacy on the use and advantage of organic fertilizer and support to its



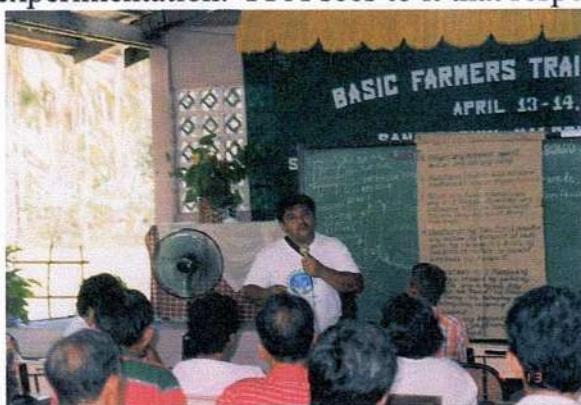
producers was complemented. Organic farming program is being fully supported by FPA. Sale of organic fertilizer for 2007 reached 2,470 MT while production was 3,319 MT. Use and production is expected to increase by the succeeding year in view of the marked increase in price of inorganic fertilizer.

- ❖ The year 2007 ushered FPA's 30th year of existence and of ensuring adequate supply of fertilizer and pesticide products that subscribe to quality standard and safety of protection of public health and the environment.
- ❖ The pesticide sector, on the other hand, appreciated in terms of additional products in the market. For the banner year, 991 applications for pesticide product registration were approved.
- ❖ With the current high price of inputs, the FPA conducted an earnest nationwide inspection and monitoring activities that include random weighing and product sampling for confirmatory analysis. Clean-up drives were conducted to further inform dealers of currently registered products, instill awareness on proper and safe handling of fertilizer and

pesticide and advise those concerned on current agency policy thrusts and programs.

- ❖ Training and accreditation is one of the agency's initiatives to professionalize handlers and those involved in product testing and experimentation. FPA sees to it that respective handlers of fertilizer and

pesticide undergo training on basic information on fertilizer and pesticide, application of highly toxic pesticides for home and industries as well as the regulation governing handling of



potassium inducer that is also an ingredient in the manufacture of explosives.

- ❖ True to its mandate, FPA has continuously disseminated information through tri-media the safe and judicious use of fertilizer and pesticide. This is inherent in every activity of FPA. The FPA maintains a website (<http://fpa.da.gov.ph>) where anyone can visit and get information on recent retail price and currently registered fertilizer and pesticide products. Prices are updated weekly as reported by the FPA field personnel.
- ❖ Recent development include delisting of household pesticide from FPA jurisdiction pursuant to the Decision of the Supreme Court G.R. 161594 ruling that FPA has no jurisdiction over household pesticides, which eventually was placed under the control of the Bureau of Food and Drugs of the Department of Health effective November 23, 2007. The FPA also figured prominently in the Davao City Council Resolution banning aerial pesticide spraying in the City of Davao.
- ❖ Pursuant to the country's international commitment, FPA is the lead agency in the implementation of the National Methyl Bromide Phase-out Strategy, a four-year project to reduce and phase-out 10.3 ozone depleting potential tons of methyl bromide as mandated by the Montreal Protocol on Substances that Deplete the Ozone Layer. On Persistent Organic Pollutants (POPs), FPA initiates information and advocacy activities in accordance with Stockholm Convention Programs on POPs. For the implementation of the Globally Harmonized System (GHS),

FPA is a partner in the National Strategic Planning and Review on GHS Implementation in the Philippines. Finally, FPA is committed to undertake evaluation and eventual registration of Plant-Incorporated Protectant (PIP) or Pest Protected Plant (PPP) in Genetically Modified products.

Our Accomplishment Report for the year 2007 accounts the major achievements of the FPA for the fiscal year 2007. The succeeding chronicle presents the Agency's major final outputs covering the work plans we implemented and services we delivered to our clients as mandated by our enabling law – Presidential Decree 1144. Pursuant to the agency's primary functions, we undertook major programs and activities in: 1) Regulation and Enforcement; 2) Training, Accreditation, Information Dissemination and Extension Support; 3) Policy Support and Advocacy Drives; and 4) Implementation of Projects under International Commitments.

Highlights of Accomplishments

Our accomplishments for FY 2007 are hereby chronicled by Major Final Outputs (MFO)

Regulations and Enforcement

- ❖ For FY 2007 a total of 1,372 applications for product registration were processed and approved for market distribution. Of the total registered products, 381 were fertilizer while 991 were pesticides. The FPA registration system ensures that pesticide products meet the prescribed standard before being made available in the country. Product registration system enables FPA to require from registrants the necessary data and information to warrant the effectiveness and efficiency of the product and protect the applicators, public health and environment on the use of these pesticides.
- ❖ Relatively, 4,106 licenses were approved and issued to handlers that include importers, exporters, manufacturers, distributors, suppliers,



wholesalers, dealers, repackers, retailers and applicators/users of fertilizer, pesticide and other agricultural chemicals.

- ❖ For the same period, 828 applications for warehouse registration were approved. Registration of a fertilizer or pesticide warehouse carries with it requirements and compliance to plans and contingency to contain spillage, eliminate fire hazards and ensure occupational health and safety of workers.
- ❖ To ascertain compliance to FPA set standards and structural requirements, 23 fertilizer and 27 pesticide plants were inspected and evaluated on its adherence to safety and occupational health.
- ❖ Monitoring activities and enforcement of rules comprised a total of 15,984 (frequency) inspection visits to fertilizer and pesticide handlers in all areas and provinces nationwide. A total of 263 clean-up drives resulted to the issuance of 111 stop sale, use and movement order to products and establishments found to be contrary to and in violation of FPA rules. A stop sale, use and movement order is a preliminary step before a violator of FPA rules is prosecuted, fined or penalized.

Training, Accreditation, Information Dissemination and Extension Support

A mandatory requirement of the FPA for accreditation and licensing is attendance to its training and accreditation program for different handlers.

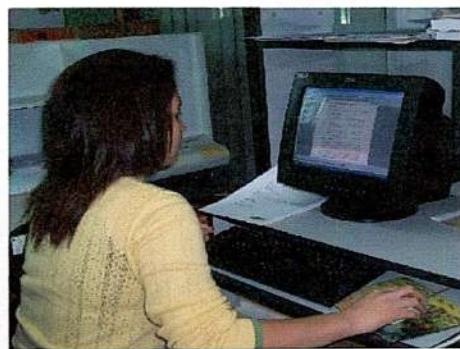
Summary of Accreditation, Trainings and Symposia, FY 2007

Description	No. conducted	No. of pax
Accredited Safety Dispenser (ASD)	34	860
Accredited Responsible Care Officer (ARCO)	3	145
Accredited Fertilizer and Pesticide Researcher	2	27
Fertilizer and Pesticide Symposium	3	79
Certified Pesticide Applicator (CPA)		
- Fumigator	2	66
- Exterminator	6	321
Certified Pesticide Applicator Symposium	7	805
Household/Wood Preservative	7	100
Mango Contractor	1	21
Safe & Judicious Use of Pesticide	9	92
Mango Stakeholders' Symposium	7	546
TOTAL	75	3,062



The FPA disseminates information on safe and judicious use of fertilizer and pesticide products through print and broadcast. FPA officials and field personnel were invitees and resource speakers in national and local tv/radio stations. Print materials are also distributed to farmers during trainings and field visits.

In addition to trainings for stakeholders, FPA field personnel, pursuant to product stewardship program, the pesticide industry regularly conducts training for farmers on proper, safe and judicious use of pesticides. The activity includes proper disposal of empty pesticide containers and the simple but effective practice of triple rinsing of empty pesticide bottles and containers.



The FPA website is regularly updated particularly on registered fertilizer and pesticide products and its retail price based on weekly price monitoring reports from FPA field personnel.

Policy Support and Advocacy Drive

- ❖ In accordance with Supreme Resolution No. GR 161594 affirming FPA's none jurisdiction over household pesticides, control over said commodity was transferred to the Bureau of Food and Drugs (BFAD) effective November 23, 2007. Pursuant therewith, the DOH-BFAD issued Advisory No. 2008-03 on February 5, 2008 to this effect.
- ❖ The FPA served as a resource/reference entity during court hearings on banning of aerial spraying of pesticide (fungicide) in banana plantation in Davao City
- ❖ As an agency that regulates basic farm inputs, the FPA is a regular member of the DA's consumer protection group and the Consumernet, an organization of government and private organizations and entities dedicated to consumer rights advocacy and protection.
- ❖ To address the issue on pesticide misuse in *okra*, the FPA served as one of the agencies that conducted orientation and dialogue with *okra* growers and exporters to instill observance of good agricultural practice and adherence to pre-harvest interval on pesticide use.
- ❖ To find a solution to the problem of rejection of Philippine mango exports to Japan on the issue of *chlorpyrifos* and *cypromethrin* residues, the FPA was instrumental in the execution of a Memorandum of



Agreement between the government, the crop protection industry and mango growers associations, mango contractors, pesticide and flower inducer and applicators. The agreement specifically bind the parties for cooperative/collaborative

initiative to institutionalize pesticide usage, professionalize mango growers and contractors through trainings and advocacy campaign on safe use of pesticide, residue monitoring and exemplifying corporate responsibility and product stewardship in the distribution of pesticides.

- ❖ Generally, the FPA is a co-implementor, a partner agency or a collaborative entity in various programs, projects and activities, namely, World Bank/DA-Diversified Farm Income Market Development Program, Consumer Watch, GMA Rice, Corn, High Value Commercial Crops, National Agricultural and Fisheries Council Sub-committee on Crops, Rice and Corn, “*Tipid Abono*” Program, Maximum Residue Limit on crops and DA Management Committee.
- ❖ The FPA Board convened on December 6, 2007 to deliberate on the proposed amendment to FPA Rules and Regulations and the provisions of the FPA Fertilizer Policy Guidelines.

Implementation of Projects Under International Commitment

❖ National Methyl Bromide Phase-out Strategy

The FPA is the lead agency in the implementation of the National Methyl Bromide Phase-out Strategy, a four-year project funded by the World Bank with the primary objective of reducing the use and eventual phase-out 10.3 ozone depleting potential tons of methyl bromide (MB) usage for soil treatment and fumigation of stored grains and other commodities and disinfestations of structures/flourmills.



Methyl Bromide is an Ozone Depleting Substance (ODS) scheduled for phase-out under the Montreal Protocol on Substances that Deplete the Ozone Layer, for which the Philippines is a signatory country. For 2007, the project was able to reduce 60% of MB usage in the affected user sector. MB use for the soil, stored commodity and structural/flourmill sector shall be banned/phased-out by 2009.

❖ Persistent Organic Pollutants (POPs)

Pursuant to the implementation of Stockholm Convention Programs on POPs, FPA undertook active IEC activities on POPs, its hazard and ill effect to health and the environment. Nine of the identified POP pesticides have already been banned by the FPA in 1983 (Endrin), 1989 (Aldrin, Dieldrin, Heptachlor and Toxaphene) and 1999 (Chlordane)

while the other 2 POP pesticides were never registered for use in the Philippines, DDT was exclusively being used by the DOH for malaria control purposes.

❖ **Globally Harmonized System (GHS)**

FPA is a participant in the National Strategic Planning and Review on GHS Implementation in the Philippines that allow agricultural, industrial workplace, transport and consumer product sectors to prepare respective plan of activities, manner of implementation and timelines. For agricultural pesticides, the sector has to wait for the recommendation of the FAO/WHO on labeling of pesticide products in conformity with the GHS requirements.

❖ **Genetically Modified Organisms/Biotechnology**

There are some products, particularly those Pest-Incorporated Protectant (PIP) in GM products that are to be evaluated and registered by the FPA per DA Administrative Order #8. The FPA Biotech Core Team will undertake Risk Assessment/Evaluation of GM products in collaboration with the BPI Biotech Group.

Administrative and Financial Management

Human Resources

For FY 2007, our manpower complement is 150 of whom 87 are of permanent status, 44 are deputized and 19 are on contracted basis. During the year, 13 Internal Management Committee meetings were conducted.



Also, the FPA Employees' Association ratified its Collective Negotiation Agreement providing for a healthy and harmonious employee-employer relationship and promotion of employees' welfare. The FPAEA is an affiliate of the National Federation of Employees Associations in the DA (NAFEDA) and is actively participating in union activities.

Fiscal Performance

For FY 2007, FPA received an allocation amounting to Php 71,474,069 expenditures on its major programs and activities amounted to Php 42,417,205.88. By end of FY 2007, total balance was Php 29,056,863.12.